

# Solved! The Mystery of the Missing Mid-Session Review



July 15, 2004

# Republican Budget To Do List

- ☒ Set a new deficit record
- ☐ Deliver Mid-Session Review on time
- ☐ Pass a budget resolution conference report
- ☐ Pass a debt ceiling increase
- ☐ Pass effective PAYGO extension, spending caps
- ☐ Pass appropriations conference reports on time

# Fiscal Report Card

## Republican Budget Failures

F

No Mid-Session Review

F

No budget resolution conference  
report

F

No debt ceiling increase

F

No effective PAYGO rules or  
spending caps

F

No completed appropriations bills

F

Record-high deficits

# Mid-Session Review Must Be Submitted By July 15

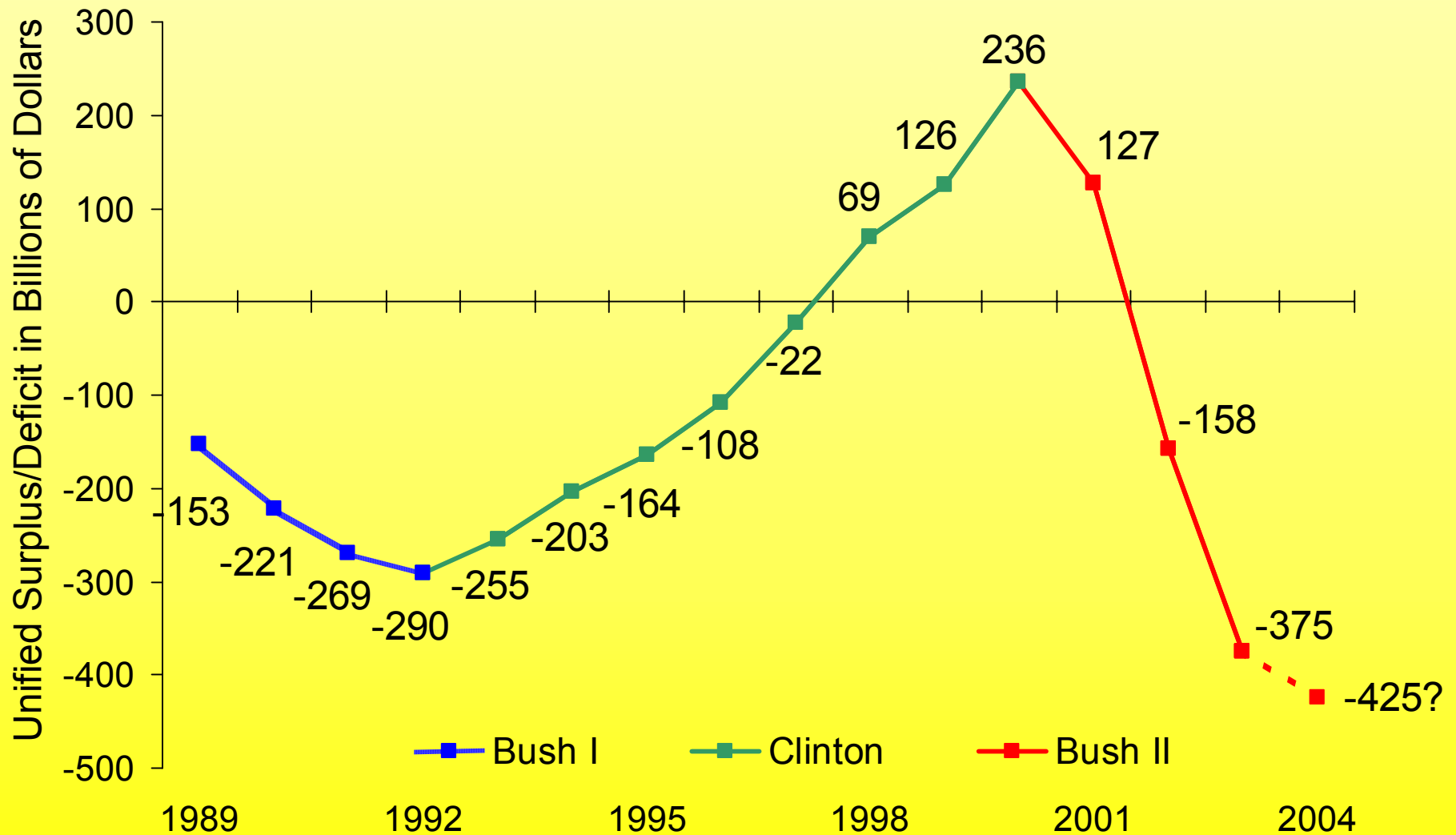
## Chapter 11 of Title 31 U.S. Code

### § 1106. Supplemental budget estimates and changes

- (a) ***Before July 16 of each year, the President shall*** submit to Congress a supplemental summary of the budget for the fiscal year for which the budget is submitted under section 1105(a) of this title. This summary shall include ---
- (1) for that fiscal year ---
    - (A) substantial changes in or reappraisals of estimates of expenditures and receipts;
    - (B) substantial obligations imposed on the budget after its submission;
    - (C) current information on matters referred to section 1105 (a)(8) and (9)(B) and (C) of this title; and
    - (D) additional information the President decides is advisable to provide Congress with complete and current information about the budget and current estimates of the functions, obligations, requirements, and financial condition of the United States Government;
  - (2) for the 4 fiscal years following the fiscal year for which the budget is submitted, information on estimated expenditures for programs authorized to continue in future years, or that are considered mandatory, under law; and
  - (3) for future fiscal years, information on estimated expenditures of balances carried over from the fiscal year for which the budget is submitted.

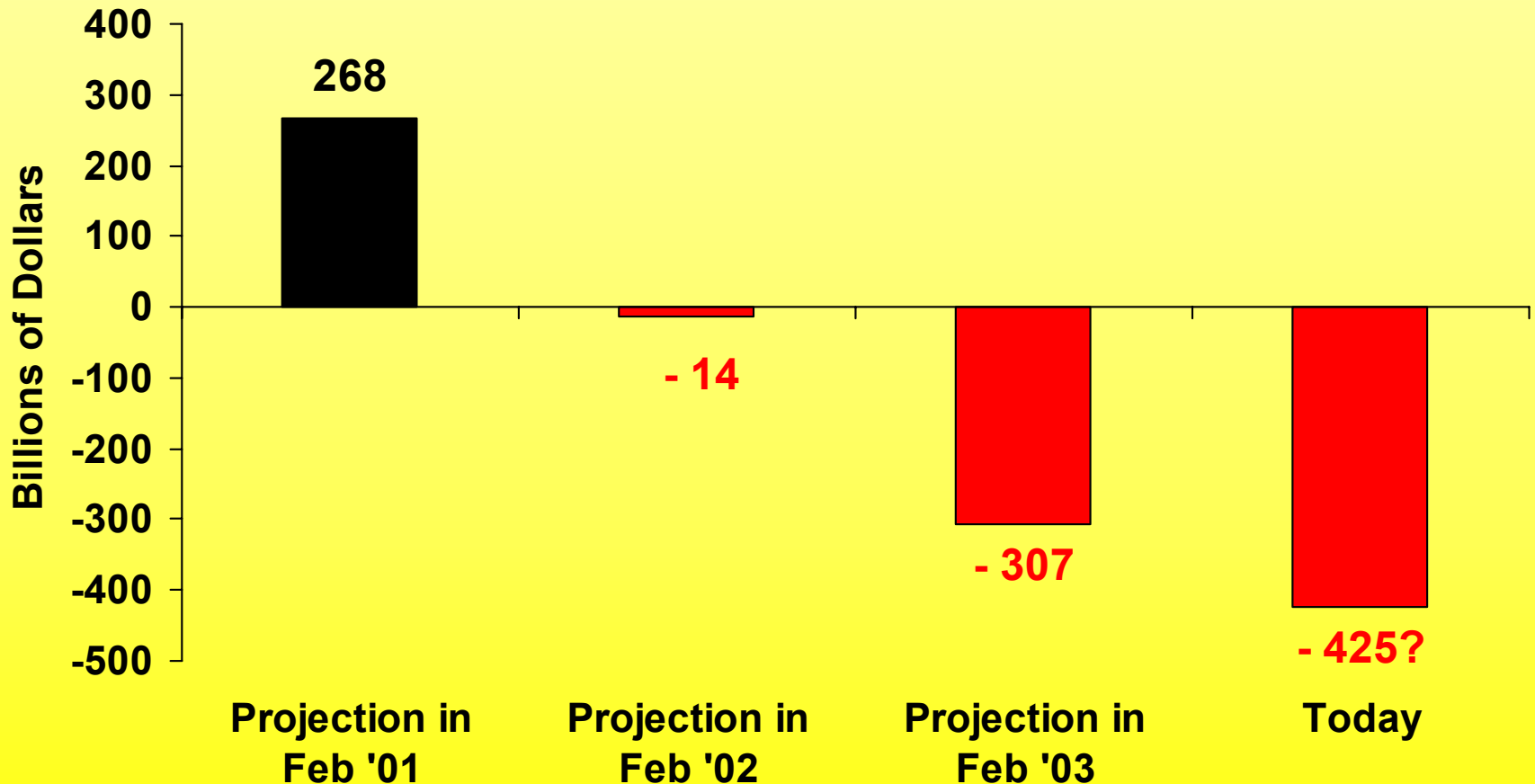
# Backsliding Into the Deficit Ditch

From Deficit to Surplus to Deficit Again

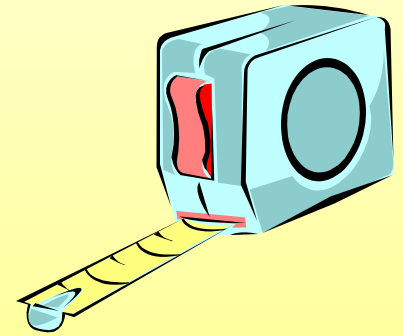


# With New OMB Estimates, 2004 Budget Gets Worse

Surplus or Deficit Estimates for Fiscal Year 2004



# 2004 Deficit Will Be About **\$425 Billion**



- **The largest deficit in American history**
- \$50 billion worse than last year's \$375 billion
- \$675 billion worse than the Administration projected in 2001
- \$600 billion if the Social Security surplus is not counted
- 4% of the GDP, or 5% not counting the Social Security surplus
- \$40 billion greater than all non-homeland security domestic discretionary spending
- Only \$25 billion less than all defense spending
- 55% as large as all individual income taxes
- 85% as large as all Social Security benefits
- 45% more than all Medicare spending

# OMB Estimates Won't Tell the Whole Story About the Deficit

OMB's estimates omit:



- Exploding tax cuts after 2010;
- Needed middle-income AMT relief;
- Realistic costs of military operations in Iraq and Afghanistan; and
- Resulting debt-service costs.



# A Fiscal Opportunity Lost

Total Surplus or Deficit without Social Security or Medicare Trust Fund Surpluses

